

March 6, 1975

ments will be corrected. I don't think that this is a wise provision to put into the state Constitution. If it's put into the Constitution and found to be in error, the only way it can be corrected is by constitutional amendment, not by statute. I know that this provision allows statutory enactments to effectuate it. Nevertheless, there is no way to determine what a future Legislature might do. When I was discussing this provision with the mayor of Omaha he stated that it would not be his intention to go into a residential area, against the wishes of the residents. This mayor is not always going to be in office. When you are going to amend the Constitution and create or establish a procedure that is going to be there for all time, you must not assume that this provision should be based on the presumed honesty of somebody in office at a given time. This is a bill that Omaha wanted. You have to build in procedures to protect the people, the protect the interests of the state, to maintain the integrity of the taxing structure of the state. I do not think this was a wise provision. I'm not saying that people acted unwisely in voting for it. I'm saying that perhaps there was not total consideration given. I am puzzled why the other provision, which Senator Cavanaugh offered, was defeated and this one was accepted. The other dealt with allowing a tax forgiveness period for somebody who would improve his or her home, a single family dwelling. That was defeated by the Legislature. There could be a definite benefit from that for the people who need it. This provision would benefit developers, even speculators, it might prove to the benefit of a governmental subdivision, it would remove money from the tax rolls, but it is not going to work to the benefit of the citizens directly. Therefore, I'm asking that you give 30 votes for a reconsideration of what was done yesterday in passing this provision.

PRESIDENT: Senator Cavanaugh.

SENATOR CAVANAUGH: Mr. President, members of the Legislature, just briefly I would oppose the motion of reconsideration. I think that Senator Chambers has indicated that he is not particularly sure of some of the allegations he makes as to the weakness of this proposed constitutional amendment. In fact, some of the allegations he makes are not accurate. His concern is that there is no control on the nature of the bond or financing instrument that would be used to implement this bill to acquire the blighted property and to clear it for redevelopment. As a legal matter that's a correct statement. We do not designate revenue bonds or the specific type of bonds in the constitutional amendment itself. However, as a practical matter they would most likely be revenue bonds. The bill goes on to say in lines 17 through 25 that the principle interest and premium of such indebtedness shall be retired by the taxes generated on the assessed valuation of the property and the project area that is in excess of the assessed valuation of such property for the year prior to such acquisition and redevelopment. The whole idea of this bill is to stimulate a project to increase the assessed valuation of that property and to incur an indebtedness to stimulate that redevelopment. Once that redevelopment has transpired there will naturally be an increase in the assessed value of that land and the taxes applied to that increased assessed value will be used to retire the original indebtedness. There will be no increase in the general tax obligation of the